

FLORIDA FCU LEAGUE, INC.



August 10, 2006

JoAnn Johnson, Chairman
National FCU Administration Board
ICO Mary Rupp, Secretary to the Board
1775 Duke Street
Alexandria, VA 22314-3428

Submitted VIA <mailto:regcomments@NCUA.gov>

Comments on Proposed Rule Part 740

Dear Chairman Johnson:

The Florida FCU League (FCUL), representing over 175 of Florida's credit unions, appreciates the opportunity to offer our comments on the National Credit Union Administration Board's action to amend or issue regulations. The FCUL appreciates the opportunity to comment on such an important proposal as NCUA Board's recent proposed amendment to 12 CFR Part 740, (Regulation 740 - Revisions to the Official Sign Indicating Insured Status.)

The FCUL polled our member credit unions so that we might include their feelings and concerns regarding this issuance. We have included their thoughts and concerns on this matter with our response.

The FCUL and its member credit unions hardily support the NCUA effort to modify its official sign to more accurately disclose the amount of NCUSIF insurance on member accounts. We believe this disclosure is a vital aspect of building and retaining member confidence.

However, we do have several recommendations:

- Official Sign Wording: We would like to recommend that the official sign be more specific in its disclosure of insurance limits. We do not believe that simply stating "at least \$100,000" is sufficient for all credit unions. It might be appropriate to offer two versions of the official sign. One for credit unions that do not offer retirement accounts

(the proposed sign could be used here) and for those that do offer retirement accounts, we would recommend wording that would include the increase to \$250,000 on certain accounts. Such wording as “at least \$100,000 on all accounts and \$250,000 on certain retirement accounts” might be more appropriate.

➤ Compliance Date:

- The NCUA proposal contemplates a mandatory compliance date of 60 days after the credit union receives the revised signs. The proposal identifies the compliance areas as: windows, websites and, if applicable advertisements”. For these areas we believe 60 days would be adequate. However, a date “after receiving the revised signs” might be different from one credit union to the other and might lead to confusion. We would recommend a more easily established date, such as 90 days after NCUA/NCUSIF ships the revised signs.
- We are also concerned that this compliance date might be construed to include areas other than “windows, websites and advertisements”. If this requirement were expanded to cover forms, member statements, account disclosures, marketing materials, and other printed or media material, it would create an undue burden on many credit unions, since many credit unions have large existing supplies of such material into which they have substantial funds invested. We would recommend that NCUA allow a reasonable time period in which credit unions could continue to use their in-stock supplies. This would also assist those who supply credit unions with such materials, to modify and deplete current inventories without incurring substantial losses. We would recommend a compliance date of not less than 12 months for such materials.

Thank you for allowing us to share our comments. We always appreciate the NCUA Board’s decision to give credit unions, associations and others an opportunity to participate in the regulatory process. We hope the NCUA Board finds our comments useful in evaluating their action on this proposal.

Sincerely Yours,

A handwritten signature in black ink that reads "Guy M. Hood". The signature is written in a cursive style and is positioned to the left of a vertical red line.

Guy M. Hood, President/CEO
Florida FCU League, Inc.

cc: Mary Dunn, Associate General Counsel CUNA